



# PRODUCT DIVERSIFICATION IN INDUSTRIAL ENTERPRISES

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<b>Received:</b> 17 <sup>th</sup> January 2022 <b>Accepted:</b> 14 <sup>th</sup> February 2022 <b>Published:</b> 27 <sup>th</sup> March 2022	The article discusses the development of the textile industry, which will allow the country to produce high-tech products with high added value on the basis of rational use of raw materials and resources rich in diversification of industry.
<b>Keywords:</b> Diversification, modernization, infrastructure, market conditions, crisis.	

## INTRODUCTION.

Today, the crisis processes in the world economy are deepening, the demand for purchases on a global scale is decreasing, and accordingly, competition for raw materials, especially finished products is increasing year by year. The experience of many developed and leading countries shows that achieving competitiveness and entering the world markets requires, first of all, the gradual reform of the economy, the deepening of structural transformation and diversification, the development of new enterprises and production sectors based on high technologies, the modernization of operating capacities and the acceleration of technical upgrading processes.

The proposals of the president of the Republic of Uzbekistan on deepening the diversification of production at industrial enterprises, establishment of new enterprises based on high technologies and modernization of operating capacities were used in the preparation of the decision of the president of the Republic of Uzbekistan dated February 22, 2016 "on additional measures to improve the activities of local government bodies-3-0/20-8-finite reference book).

## LITERATURE REVIEW.

In studying the problems of diversification of quality management, T.A Salimova describes diversification as a process of constant change, approaches to an object and the diversity of actions. In adopting this definition, we note that it is relevant to quality management diversification.

M. According to Porter, diversification is often understood as a change in the number of activities that can be interpreted as a wide-ranging industry and the expansion of the range of products. Most researchers understand that a network is a market segment, not a type of activity.

## ANALYSIS AND RESULTS

Despite the scale of work done in this direction, there are still problems in this area that need to be addressed. For example, it is important to introduce strategies in textile enterprises that meet world standards and enable the production of export-oriented products, infrastructure development, innovation. At the same time, it is necessary to avoid interruptions in the export of finished products and logistics, improve management relations in the transport and customs systems, as well as the optimal placement of textile equipment in industrial areas.

"Uzbekiyengilsanoat" includes 312 enterprises with modern equipment. These enterprises supply a wide range of finished products, from yarn to foreign markets. This is due to the fact that modern design and high quality products are competitive. At present, the enterprises of this society export their products to 55 countries of the world, and this scale is constantly expanding. For example, last year, 157.1 thousand tons of yarn, 33 million square meters of yarn, 4.9 thousand tons of knitted fabrics, 148.1 million pieces of knitted garments, 9, 1 million pairs of socks were exported.

If we look at the technical and economic forecast for the development of the textile and light industry in 2014-2020, in another five years the volume of industrial production is expected to reach almost 7 trillion soums, which is 3.2 times more than in 2013.

The essence of diversification in the industrial sector is that it allows enterprises in the form of ownership to adapt to the conditions of specialized markets, where supply and demand fluctuate sharply.

Diversification of industrial enterprises means increasing the demand for products and the return on capital spent, striving to use synergistic effects, turning activities into a low-cost sector.

In the process of diversification, there will be a flow of capital to the most convenient and preferred industry and production. In other words, if an enterprise has difficulties in one market and the opportunity arises in another or in another sector, this enterprise can cover its losses due to the transformation of capital.

The diversification process is classified differently, including technically. It is interpreted as a unifier in the technical or technological category, in the context of the monopoly of close production; Economically, large corporations are able to stabilize their profits by changing the range of products through the development of production. From the organizational point of view, diversification is understood to go beyond the expansion of a large company with no direct

or functional connection to its core business, the transition from the production of one product to the production of many types of products, to prevent bankruptcy.

The diversification of production is approached from the point of view of the leading industry specialization. That is, the interaction of networks that are connected to the main network or vice versa.

In our opinion, the diversification of industrial enterprises should take into account the production of new products (services):

- Using new technology. The new product is consumer-oriented or manufactured together (horizontal diversification);
- Based on existing technology. An improved new product will be produced on the basis of existing technology (centralized diversification);
- Production (conglomerate diversification) that is not technologically related to the current product.

It should be noted that Uzbekistan is developing the leading sectors of the economy, its high and consistent growth, macroeconomic stability. This can be explained by the deepening of the crisis, the decline in global purchasing power and the growing competition in the world market for raw materials, especially finished products.

The development of the textile industry is directly related to the activities of the knitting and sewing industry. At present, the share of finished knitted and garment products in the total volume of products manufactured by "Uzbekyengilsanoat" JSC is 23%. Along with other factors, the human factor also plays a key role in the production of quality garments and knitwear. The increase in product quality and market demand depends primarily on marketing research, as well as the effective operation of designers and modelers.

The technological level of production in the textile industry also affects the solution of major problems. As of 2015, 67% of "Uzbekyengilsanoat" enterprises are equipped with new technological equipment, 73 specialize in spinning and weaving, and 71 produce knitwear.

The large-scale attraction of foreign investment in the spinning mills has led to an increase in the number of entities equipped with modern equipment. The involvement of modern foreign technologies and equipment, in turn, has led to an increase in production productivity.

Approaches to the theory of strategic management are widespread in modern management, and the basic rules are considered from the point of view of diversification. It should be noted that in this theory, not the implementation technology, but the strategy is defined and described.

Economic efficiency in light industry enterprises affects the improvement of living standards in the following ways: production costs, labor productivity, income, profits, wages, etc. Therefore, in order to improve the living standards of the population by increasing the efficiency of enterprises, it is necessary to consistently implement the following tasks:

- Strict economy in the use of raw materials in enterprises;
- efficient use of energy resources;
- modernization, technical and technological improvement;
- Attracting effective investments in the industry;
- filling the domestic market with our own light industry products;
- increase the volume of exports of light industry products;
- creation of additional jobs in enterprises;
- efficient use of working time of employees;
- Look for opportunities to increase salaries and incomes of employees in times of crisis.

### CONCLUSION.

In conclusion, it should be noted that the effective implementation of diversification in industrial enterprises leads to improved quality of products and services. This is due to the fact that the manufacturer, along with the development of new products, strives to improve their consumer properties, which ultimately leads to an increase in quality. This, along with the increase in sales of these products and services, will also affect the expansion of markets for their sale.

In this regard, the processes of modernization and diversification of production activities in the enterprises of the textile industry are interrelated, and their harmonious application will lead to the technical and technological development of the enterprise, expanding financial and economic opportunities, increasing sustainability.

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